

ISM-NEVADA, INC. BYLAWS

ARTICLE I NAME AND LOCATION

Section 1, Name. The name of this Association shall be ISM-Nevada, Inc., a not-for-profit corporation organized and existing by virtue of the Laws of the State of Nevada (hereinafter referred to as the "Association").

Section 2, Location. The principal office of the Association shall be located in the County of Clark, State of Nevada or in such other localities as may be determined by the Board of Directors.

ARTICLE II PURPOSES

The Association is a not-for-profit corporation and operated not for pecuniary profit, but exclusively for educational purposes within the meaning of Section 501 (c) 6 of the Internal Revenue Code (hereinafter referred to as the "Code"), and in this connection, the purposes for which the Association shall be organized and operated are as follows:

1. To foster and promote the interchange of ideas and cooperation among its members.
2. To promote the study, development, and application of purchasing management and supply management profession, including the improvement of procurement or purchasing methods and practices and all matters related to the foregoing (hereinafter referred to as "the purchasing management and supply management profession").
3. To collect and disseminate by all lawful means information of interest and benefit to its members, including surveys and reports of current business trends and other information of interest to the purchasing management and supply management profession.
4. To develop and encourage personal and ethical conduct among persons engaged in the purchasing management and supply management profession.
5. To develop, sponsor, promote and encourage a professional certification program for persons engaged in the purchasing management and supply management profession.
6. To encourage and cooperate in the institution and development of education courses, seminars, programs and materials on the subject of purchasing management and supply management and matters related thereto.
7. To strive by all lawful means to promote and enhance the purchasing management and supply management profession.
8. To be affiliated with the Institute For Supply Management ("ISM") and other associations or organizations of persons engaged in the purchasing management and supply management profession throughout the United States and all foreign countries.
9. To cooperate, collaborate and exchange information by lawful means with professional, trade and other associations and organizations of persons engaged in the purchasing management and supply management profession, and to advance public relations with governmental agencies and the public in general concerning the purchasing management and supply management profession.
10. To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers, except as otherwise permitted by the laws of the State of Nevada.

In the accomplishment of these purposes, it shall be the policy of the Association to comply at all times with all existing and future laws, including the antitrust laws, and in furtherance of this policy, no activity or program shall be sponsored or conducted by or within the Association in any manner whatsoever that shall represent or be deemed a violation in accordance with the ISM

Statement of Antitrust Policy and Guide for Antitrust Compliance, as amended from time to time by the Board of Directors of ISM

ARTICLE III AFFILIATION WITH ISM

SECTION 1. General. The Association shall be affiliated with ISM in accordance with the procedures set forth in the ISM Bylaws, and the Association shall comply at all times with ISM policy as it may be adopted from time to time by the ISM Board of Directors and the provisions of this Article III.

SECTION 2. Conditions of Affiliation. The Association shall be obligated as a condition of affiliation with ISM to comply with ISM rules and regulations, as set forth below:

- a. To be incorporated as a not-for-profit corporation in accordance with the laws of the State of Nevada and the United States of America and to validly exist and be in good standing during the period of its affiliation with ISM
- b. To cause these Bylaws to conform at all times with the ISM Bylaws and ISM policy, including without limitation, the provisions hereof with respect to the purposes of the Association and eligibility for membership.
- c. To perform all necessary procedures concerning the review and approval of all applications for membership in the Association and ISM.
- d. To resolve all questions concerning eligibility for membership in the Association and ISM in a fair and impartial manner in accordance with procedures established from time to time by the Association.
- e. To collect all dues from members of the Association and to remit to ISM all dues required by Article IV of the ISM Bylaws.
- f. To comply at all times with ISM policy as it may be adopted from time to time by the ISM Board of Directors, including without limitation, the ISM Statement of Antitrust Policy and Guide for Antitrust Compliance.
- g. To obtain the prior written approval of ISM with respect to any proposed amendments to these Bylaws.

SECTION 3. Suspension or Termination of Affiliation

- a. By ISM.
The affiliation with ISM of the Association may be suspended by the ISM Board of Directors for violation of or failure to comply with the ISM Bylaws, including specifically, but without limitation, provisions respecting payments of dues, eligibility of members and observance of ISM policies as may be adopted by the ISM Board of Directors from time to time. Any charge of violation or failure to comply, under this Section, shall be first presented to ISM. If ISM shall determine that the charges are well founded, after the Association has been given reasonable notice of such charges and an opportunity to present a defense to the same, the charges shall be referred to the ISM Board of Directors for action together with the recommendations of ISM. If the Association is suspended or terminated, it may be reinstated by a vote of the ISM Board of Directors at any time subsequent to such suspension or termination upon a proper showing of good cause to justify a reinstatement of affiliation with ISM.
- b. By the Association.
The affiliation with ISM of the Association may be suspended for any reason by a two-thirds vote of the membership of the Association and ratified by the Association's Board of Directors. At least 90 days prior to any such proposed action being voted on by the Association's membership, the ISM Affiliate Support shall be given reasonable notice of such proposed action and an opportunity to discuss such proposed action at a regularly scheduled meeting of the membership of the Association. Within 90 days of the ISM

Affiliate Support's presentation, the Association shall submit the question to all of its membership in accordance with Article VIII. The decision of a majority of the membership shall be final.

ARTICLE IV MEMBERSHIP

SECTION 1. Regular Member. A person shall be eligible to be a regular member of this Association who satisfies the eligibility requirements of a regular member of an Affiliated Association as defined in the bylaws of ISM, as amended from time to time. Regular members of this Association shall have the right to cast 1 vote on all questions which require a vote of the regular members of this Association other than those regular members who, pursuant to the ISM Bylaws, as amended from time to time, do not have voting rights.

SECTION 2. Dual Membership. Dual membership may be afforded to individuals who meet the same criteria as Regular Members and hold regular membership in ISM through another affiliated association. Dual members may vote and hold office in the Association.

SECTION 3. Non-voting Membership. The Association shall have the following nonvoting membership classes which shall not represent regular membership in ISM nor entitle any member of such class to hold office in the Association:

- a. Honorary Members. A person not qualified for regular membership but who has rendered distinguished or unusual services to the purchasing and supply management profession, and who has been elected to this class of membership by vote of the Board of Directors of the Association. Election to honorary membership shall be for such period as the Association may designate, but the Board of Directors of the Association shall have the authority and duty to revoke the honorary membership of any individual whenever they shall determine that continuation of the honorary membership would be inconsistent with the policies and objectives of ISM, or the Association.
- b. Student Members. A person who is an undergraduate or graduate student enrolled full-time in an accredited community college or four-year college or university shall not have voting rights in ISM, but shall have voting rights within this Association.

SECTION 4. Dues-Free Members. Dues-free members include:

- a. Honorary Members. A person as described in Section 3(a).
- b. Student Members. A person as described in Section 3(b).
- c. Academic Members. A person with a full-time appointment as a teacher, research specialist, department head, director or dean of a college, university, other academic institution whose academic responsibility includes purchasing, materials or supply management or other related fields or subjects. Academic members are Regular voting members.
- d. Lifetime Members. A person who has been a Regular Member for a period of 10 years or more, has retired from all regular employment and has been approved for this category by a majority vote of the Board of Directors of this Affiliate Association. Lifetime members are Regular voting members.
- e. Special Membership Extension. Membership will be extended an additional 12 months without requiring payment of ISM dues for persons who have been a member of ISM and are unemployed for 6 months, excluding first-time membership applicants, provided that the affiliate also waives the affiliate dues. Dues-free membership will be extended to those members serving in full-time active military duty for the length of their service, provided that the affiliate also waives the affiliate dues.

SECTION 5. Sales Activity. The Association may not admit to membership, or retain as a member, any person primarily engaged in the solicitation of orders, or who is in charge of, or primarily responsible for sales, even though such person may be otherwise eligible for membership; provided, however, that no person shall be ineligible by reason of incidentally disposing of scrap, surplus stock or equipment of the concern by which he is employed. For purposes of this Section 4, primarily shall mean a majority of a person's time.

The eligibility of an editor, secretary or business manager employed by the Association shall not be affected by reasons of sales activities directly related to any magazine, bulletin, or other publication, or any exhibit, product show or similar activity sponsored by such association.

SECTION 6. Admission of Members. Admission of all persons for membership in the Association shall be in accordance with the following procedures:

- a. Application for membership shall be submitted upon the application form and be approved by the Executive Director, Membership Chair and/or Board of Directors. If either the Executive Director or Membership Chair questions the legitimacy of any application for membership, they shall bring that application to the Board of Directors. A majority of the Board of Directors will then determine the legitimacy of such an application. The Board of Directors may overrule the decision of either the Executive Director or the Membership Chair.
- b. Upon approval by the Executive Director or Membership Chair, and the Board of Directors, and upon payment of all required fees, the applicant shall become a regular member of the Association.

SECTION 7. Denial of Membership.

The Association has the right to deny Regular membership, as authorized in the ISM Bylaws. The ISM Affiliate Support Department will consider an appeal by the applicant. Except for rare and extraordinary circumstances, the decision of the Affiliate Support Department concerning denial of Regular membership will be final and binding and will be considered by the ISM Board of Directors.

SECTION 8. Expulsion of Members. The Association shall have the right to expel a member of any classification from membership in the Association for nonpayment of dues or for violation of the provision of these Bylaws, the ISM Bylaws, the ISM Policies, the ISM Policy Manual, the ISM Policy Manual for National Groups and Forums, the ISM Standards of Conduct or such other statements of policy as may be adopted by the Association or the ISM Board of Directors from time to time.

Expulsion for any reason other than nonpayment of dues shall occur only after the member has been advised of the proposed expulsion and the reasons therefore, and has been given an opportunity to submit proof in support of continued membership in the Association. A member expelled from membership in the Association shall be given written notice of such expulsion and shall be advised in writing that he or she may appeal the action taken by the Association to ISM by filing a notice of intent to appeal to ISM.

Upon receipt of a timely filed notice of appeal, ISM shall consider the appeal and shall allow the expelled member the opportunity to submit proof in support of continued membership in the Association. The decision of the Affiliate I concerning expulsion of a non-voting member shall be final and binding

SECTION 9. Reinstatement. A former member of the Association, whether a resigned or expelled member desiring reinstatement of membership, may be reinstated as a member of the Association upon showing proof of eligibility and paying all current year's dues or initial new membership fees.

The procedure for an appeal of an adverse determination to reinstate a former member shall be the same as provided in Section 6 of this Article, provided, however, an appeal to reinstate membership may not be taken in the same calendar year in which an appeal had been decided by ISM concerning the expulsion of the same member seeking reinstatement.

SECTION 10. Resignation. Any member of the Association may resign by filing a written resignation with the Association, but such resignation shall not release the member so resigning of the obligation to pay any dues, or other charges therefore accrued but unpaid. No pro-rated reimbursement of dues paid will be made unless such a pro-rated reimbursement amount is first received from ISM

SECTION 11. Transfer of Membership. Membership in the Association shall be vested in the individual member of the Association, however, regular membership may be transferred pursuant to the ISM Policy Manual.

ARTICLE V DUES & ADMINISTRATIVE CHARGES

SECTION 1. Amount. The amount of annual dues for regular members of the Association shall be determined from time to time by a majority vote of the Board of Directors. Annual dues for regular members of the Association shall include an amount at least equal to the annual dues in effect for membership in ISM

SECTION 2. Payment. Dues for regular members of the Association shall be assessed on a yearly basis and shall be payable each year. The Board of Directors shall have discretionary authority to allow alternative payment schedules in special circumstances. Members elected to membership in the Association at any time during the year shall be required to pay a proportionate amount of the annual dues in effect at the time of their election to membership which amount shall be payable commencing on the first of the month in which they are elected to membership in the Association.

SECTION 3. Non-Payment of Dues. A member of the Association whose dues are not paid within 30 days of being invoiced may be expelled from membership in the Association and ISM upon notice by the Association to such member, such expulsion to be effective upon the date of such notice. A member expelled from membership for non-payment of dues may be reinstated upon full payment of all delinquent dues or initial new membership fees, as determined by ISM guidelines.

SECTION 4. Schedule of Dues. The Association shall notify members of the Association each year with a schedule of annual dues payable for each category of membership for that year by posting the notification on the website or sending the notification electronically or by mail.

ARTICLE VI BOARD OF DIRECTORS

SECTION 1. Authority and Responsibility. The governing body of the Association shall be the Board of Directors. The Board of Directors shall have general charge, management, and control of the affairs, funds and properties of the Association and, subject to the provisions of these Bylaws and any contrary statement of policy enacted by vote of the members of the Association, shall have authority to take such action in matters of policy and procedure as, in its judgement, will best promote the interests and welfare of the Association, including authority to promulgate, amend or rescind in whole or in part all statements of Association policy as they may exist from time to time. Directors will be expected to undertake additional responsibilities including but not limited to chairing committees and other duties as assigned by the President.

SECTION 2. Composition & Membership.

The Board of Directors shall consist of eight Officers and Directors who are elected by the membership of the Association. Two members of the Board of Directors shall be from the Northwestern Nevada region, provided that there are at least two such nominees from that region on the ballot; and these two members shall be the nominees from that region that receive the most number of votes during the applicable elections. Similarly, one member of the Board of Directors shall be from the Northeastern Nevada region provided that there is at least one such nominee from that region on the ballot; and that member shall be the nominee from that region that receives the most number of votes during the applicable election. The balance of the members of the Board of Directors shall be the nominees receiving the most number of votes during the applicable election. All members of the Board of Directors must be regular members of the Association and ISM. Designated officers, as identified in Article VII, and designated directors, as identified in Article IX, shall be selected by the Board of Directors. Chairs of committees shall be appointed by the President with the majority approval of a quorum of the Board of Directors.

SECTION 3. Qualifications. To be eligible for elections or appointment to all offices and all standing committee chairs, a candidate must be a regular member in good standing of ISM and the Association. To be eligible for election or appointment to any of the officer positions, a candidate must be a current Board of Director. Termination of regular membership in the Association shall immediately disqualify any candidate or incumbent for any Board of Director position.

SECTION 4. Term of Office. Members of the Board of Directors shall be elected for a term of two years, with the terms staggered as set by a majority vote of a quorum of the Board of Directors.

SECTION 5. Election or Appointment. The Board of Directors shall be elected by the regular members of the Association, in accordance with Article VIII hereof.

SECTION 6. Vacancy. Mid-term vacancies occurring in any office shall be filled for the unexpired term through appointment by the President, with the approval of the Board of Directors, until the vacancy can be filled at the next election.

SECTION 7. Meetings. The Board of Directors will schedule their meetings as required. Any 1 or more Directors may participate in a meeting of the Board by means of conference telephone or similar equipment which enables all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence at such a meeting.

SECTION 8. Quorum and Voting. A Quorum will consist of four or more members of the Board of Directors.

SECTION 9 Board Action Without a Meeting

The Board of Directors may, with the written consent (mail or electronic transmission or similar means) of each member of the Board, take any action without a meeting that it might take at a meeting duly held.

**ARTICLE VII
OFFICERS**

SECTION 1. Officers. The officers of the Association shall be the President, Vice President, and Secretary/Treasurer.

SECTION 2. Election. The officers shall be elected by the Board of Directors at the Board meeting held in May, in accordance with Article VIII hereof.

SECTION 3. Duties of President. The President shall be chief executive officer and chairman of the Board of Directors, shall exercise general supervision over the executive affairs of the Association and shall preside at all meetings of the Association membership and of the Board of Directors and shall be a member, ex-officio, of all Association committees. The President shall have, in addition, the duties made incumbent upon the office by any other provision of these Bylaws and which may be assigned by the Board of Directors. Additionally, the President, with the concurrence of a majority of the Board of Directors, may remove a member of the Board of Directors or a committee chair from his or her position for failure to perform the duties of his or her office in a manner conducive to the success of the Association. The President, by the nature of the position, has the authority to assign Association related duties to any officer or committee chair. In the event of a vacancy in the office of President resulting from death, resignation, disqualification or permanent inability to serve, the Vice President shall assume the office of President and shall perform all the duties of such office for the unexpired term.

SECTION 4. Duties of Vice President. The Vice President shall perform such duties as may be assigned from time to time by the President and Board of Directors of the Association. In the event of the temporary inability of the President to perform the duties of his or her office resulting from illness, absence or any other cause, the Vice President shall perform all duties of the office of the President until such time as the incumbent is able to resume the duties of the office.

SECTION 5. Duties of Secretary/Treasurer. The Secretary/Treasurer shall be responsible for the preparation of all minutes of meetings of the Board of Directors and members of the Association, the maintenance and safekeeping of all corporate and membership records of the Association, the serving or publication of all notices required by law or these Bylaws concerning any meeting or any other matter applicable to the Association, and shall perform such other duties as may be assigned from time to time by the President and Board of Directors of the Association or which may be required by law. The Secretary/Treasurer shall have the custody of all Association funds and securities, shall maintain a full and accurate account of all receipts and disbursements in books belonging to the Association, shall deposit all Association funds in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors of the Association, shall disburse the funds of the Association by check countersigned by one other officer in accordance with instructions furnished by the Board of Directors of the Association, shall render to the Board of Directors and members of the Association upon request, but at least at each Board meeting, an account of all his or her transactions and of the financial condition of the Association, and shall perform such other duties as may be assigned from time to time by the President and Board of Directors of the Association or which may be required by law.

ARTICLE VIII MEETING OF THE ASSOCIATION MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the Association membership shall be held in May of each year at such place and on such date as may be determined by the Board of Directors of the Association. Notice thereof shall be given to all members at least 7 days prior thereto.

SECTION 2. Special Meetings. Special meetings of the Association membership may be called by the Board of Directors or the members of the Association in accordance with the provisions set forth in the Non-Profit Corporation Act of the State of Nevada.

SECTION 3. Quorum. At all meetings of the Association membership a quorum shall be the presence at such meeting of the regular membership of the Association in attendance at the meeting.

SECTION 4. Voting. On all questions or issues presented for a vote of the Association membership, each regular member whose dues are paid shall be entitled to cast one vote. Except as otherwise required by these Bylaws, all questions or issues presented to a vote of the Association membership shall be authorized by a simple majority of the votes cast by the Association membership, entitled to vote thereon provided that the affirmative votes cast in favor of any such action shall be at least equal to the quorum required by Section 3 of this Article. Voting may not be conducted at the Annual Meeting or a Special Meeting. Voting may only be conducted by any means where the Association membership entitled to vote is given an opportunity to cast their vote.

SECTION 5. Parliamentary Rules. At all meetings of the Association, including the Board of Directors, and committee meetings shall be held under the most current edition of Robert's Rules of Order when not in conflict with these Bylaws.

ARTICLE IX BOARD FUNCTIONS

SECTION 1. Board Functions. The following standing committees shall be established within the Association:

- a. Director, Membership/Marketing
- b. Director, Education – Seminars
- c. Director, Education – Monthly Events
- d. Director, Communications
- e. Director, Special Events

SECTION 2. Special Committees. The President, with the approval of the Board of Directors of the Association, shall appoint such other special committees, subcommittees, subcommittees or task forces as may be deemed necessary and which are not in conflict with other provisions of these Bylaws, and the duties of any such special committee shall be prescribed by the Board of Directors upon their appointments.

ARTICLE X FINANCES

SECTION 1. Fiscal Year. The fiscal year of the Association shall begin on July 1st of each year and terminate on June 30th of the next year.

SECTION 2. Appropriations. Funds appropriated in the annual Association budget shall be allocated to each funded activity. "Funded activities" are defined as those elements of the annual Association budget for which there are anticipated expenses during the fiscal year such as membership dues to ISM, meetings, workshops, office expenses, officers' and directors' expenses, and committee expenses. During the appropriation year, it shall be necessary for each funded activity to receive Board of Director's approval if it should become necessary to exceed its allocated amount in the annual budget.

SECTION 3. Indebtedness. The Association shall incur no indebtedness whatsoever.

SECTION 4. Annual Audit/Review. An annual audit or review of the Association's financial records shall be completed by a competent Accountant or a minimum of 2 members of the Board of Directors within 60 days of the end of the Association's fiscal year when requested by a majority of the Board of Directors.

SECTION 5. Taxes. The Association shall complete all required tax and tax related filings within the time prescribed by law.

**ARTICLE XI
DISSOLUTION**

SECTION 1. Dissolution. The Association may be dissolved upon adoption of a plan of dissolution and distribution of assets adopted by the Board of Directors and approved by the regular members of the Association in accordance with NRS 81.280 of the State of Nevada, as amended from time to time.

SECTION 2. Dedication of Funds. The Association shall use its funds only to accomplish the objectives and purposes specified in these Bylaws and no part of said funds shall incur or be distributed, to the members of the Association. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified organizations engaged in the promotion or education of the purchasing and supply management profession to be selected by the Board of Directors and regular members of the Association.

**ARTICLE XII
INDEMNIFICATION**

SECTION 1. Litigation. This Association shall indemnify any director or officer, made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of any other Corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of this Association served in any capacity at the request of this Association, by reason of the fact that he or she, his or her testator or intestate, was a director or officer of this Association or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action or proceeding, or any appeal therein; provided, however, that no indemnification shall be made to or on behalf of any director or officer if a judgment or adjudication adverse to the director or officer establishes that his or her act was committed in bad faith or the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage in which he or she is not legally entitled.

SECTION 2. Authorization. Any indemnification made pursuant to Section 1 of Article XII hereof, shall be made by this Association; if authorized in one of the following ways:

- (a) By the Board acting by a quorum consisting of directors who are not parties to such action or proceeding upon a finding that the director or officer has not violated the standard of conduct as set forth in Section 1 of Article XII hereof;

or

- (b) If a quorum under subparagraph (a) above is not obtainable or even if obtainable, a quorum of disinterested directors so directs:
 - (1) by the Board upon the opinion in writing of independent legal counsel that indemnification is proper under the circumstances because the standard of conduct set forth in Section 1 of Article XII has not been violated by such director or officer, or
 - (2) by the members upon a finding that the director or officer has not violated the standard of conduct set forth in Section 1 of Article XII.

SECTION 3. Expenses Incurred. The Association shall pay expenses incurred in defending a civil or criminal action or proceeding in advance of final disposition of such action or proceeding upon

receipt of an undertaking by or on behalf of such director or officer to repay such amounts as, and to the extent, the person receiving such advancement or allowance is ultimately found, not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced by this Association exceed the indemnification to which he or she is entitled. If any action with respect to indemnification of directors and officers is taken, then this Association shall, not later than the next Annual Meeting, unless such meeting is held within 3 months from the date of such action and, in any event within 15 months from the date of such action, mail to its members of record at the time entitled to vote for the election of directors a statement specifying the action taken.

SECTION 4. Personal Liability. The directors of this incorporated Association shall not be personally liable to the Association or its members for damages for any breach of duty in his or her capacity as such: provided, however, that this provision shall not limit or eliminate the liability of any director if a judgment or other final adjudication adverse to him or her establishes that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled or for any act or omission which occurred prior to the adoption of this provision.

ARTICLE XIII CHAPTERS

SECTION 1. Location. The Association may establish chapters for members who are located in geographical areas distant from the designated meeting place for regular meetings.

SECTION 2. Approval. The Board of Directors determines the need, the organizational structure, and approves the operating procedures for chapters within the guidelines of these Bylaws.

ARTICLE XIV AMENDMENTS

Amendments to these Bylaws may be introduced by any member in good standing, approved by the Board of Directors and submitted to the membership for two-thirds majority approval, and such voting shall be in accordance with Article VIII, Section 4.

It is the intent of the Association that these bylaws mirror those of ISM. Changes made by ISM that affect these bylaws may be amended by a majority approval of the Board of Directors and does not require the approval of the general membership of the Association.

End of Document